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Congress of the United States

House of Representatives

Washington, DC 20515

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June 13, 2003

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*1639*

Honorable Michael K. Powell  
 Chairman  
 Federal Communications Commission  
 445 12th Street, S.W., Room 8-B201  
 Washington, D.C. 20554

Dear Chairman Powell:

*02-235*

The Federal Communications Commission has before it an application seeking consent to a merger between Univision Communications Inc. ("Univision") and Hispanic Broadcasting Corporation ("HBC"). In merging, these two publicly traded companies seek to expand service to the Hispanic community and bring Spanish-formatted broadcasting closer to competitive parity with the large English-language media conglomerates with which they must compete. It is our understanding that this transaction complies with all FCC rules, requests no waivers, and seeks no special consideration. It is also our understanding that the Department of Justice has completed its review of the transaction, including an extensive review of any impact this merger might have on competition. However, despite the Commission's commitment to review and grant even complex merger transactions within 180 days, the Univision/HBC merger application is still pending at the Commission after more than 300 days. Given the public benefits arising from this proposed transaction, as well as the fact that Univision's and HBC's English and Spanish language competitors continue to grow and move forward while Univision and HBC remain in regulatory limbo, we urge you to act on the pending application and approve this pro-competitive merger as quickly as possible.

Univision has been a major influence in making Spanish-language media competitive with its much larger English-language competitors, while introducing many mainstream advertisers to the Hispanic populace for the first time. The result has been expanded opportunities for Hispanics in broadcasting, particularly for Hispanic entrepreneurs who are benefiting from the new access to advertisers and financing that Univision's efforts have brought. These entrepreneurs, along with the thousands of Hispanics that Univision's training and promotion policies have brought to the broadcast industry, are creating for the first time a significant base of Hispanics who have the experience to successfully own and operate broadcast stations. As more than 80% of Univision's and HBC's employees are Hispanic, the increased ability that this merger will bring to Univision to compete against much larger broadcasters will not only promote the growth of Hispanic media, but allow these individual employees to ultimately bring their training and unique perspective to other Spanish and English-language stations that hire them in the future.

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This proposed merger of a television company with a radio company is pro-competitive, and will enable Univision and HBC to better compete with the larger, established English-language media groups such as GE/NBC/Telemundo, Viacom/CBS, and Disney/ABC. The combination of Univision's and HBC's resources will enhance and expand the media services available to the Hispanic community much as the recent merger between NBC and Telemundo enhanced Telemundo's news resources and coverage. Moreover, the increased competitiveness of Hispanic media as a result of the merger will attract new capital to the industry, resulting in increased management and ownership opportunities for those wishing to serve the Hispanic community.


Recently, *The Washington Post*, in an article entitled "Democrats Fight Hispanic Media Merger," reported on attempts by a competing media company and some of my colleagues in Congress to politicize the proposed merger by casting Univision as a "Republican" company controlled by a "non-Hispanic." Beyond the fact that the ethnicity and political leanings of the shareholders of a media company are in no way relevant to whether a proposed transaction is in the public interest, the efforts to politicize this proceeding are an illegitimate attempt to distract the Commission from its statutory duty to promptly approve applications that comply with the FCC's rules and therefore promote the public interest.

Many of those letters in opposition to the merger seek to have the FCC retroactively modify its rules to designate Spanish-formatted stations as a separate "market," and thereby inhibit the growth of Spanish-formatted media. Creating a separate Hispanic market to limit the growth and competitive capabilities of broadcasters who choose to serve Hispanics is nothing more than regulatory gerrymandering to the disadvantage of Hispanics nationwide. This approach marginalizes the Hispanic community while creating a separate class of broadcast stations with a different set of rules based solely upon program content. Such efforts to use the Commission to achieve a perceived political advantage simply reflect naked partisanship and are the very reason that the FCC was created as an independent agency.


As Members of Congress representing districts in Texas we urge you to complete your review and act on the application as promptly as possible, thereby maintaining the integrity of your rules for the public, as well as for the applicants that must rely on those rules in structuring their transactions.

Sincerely,

  
Henry Bonilla  
Member of Congress


  
Ron Paul  
Member of Congress

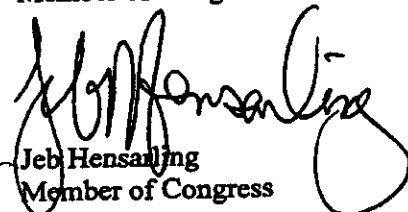
  
Pete Sessions  
Member of Congress

  
Michael Burgess  
Member of Congress

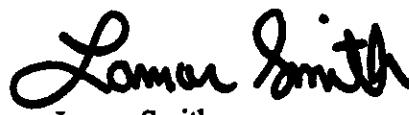
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